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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/696,274	10/29/2003	Adam Hall	ICLS 1001-3	6481
34070 7590 01/23/2008 K.P. CORRELL AND ASSOCIATES, L.L.P. 270 BELLEVUE AVE., #326 NEWPORT, RI 02840				
EXAMINER ALLEN, WILLIAM J				
ART UNIT		PAPER NUMBER		
3625				
MAIL DATE		DELIVERY MODE		
01/23/2008		PAPER		

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

### Office Action Summary

**Application No.**

10/696,274

**Applicant(s)**

HALL ET AL.

**Examiner**

WILLIAM J. ALLEN

**Art Unit**

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**Period for Reply** -- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 28 November 2007.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 17-36 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 17-36 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/CDC)
- 4) ☐ Interview Summary (PTO-413)
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_
- Paper No(s)/Mail Date \_\_\_\_\_

## **DETAILED ACTION**

### ***Prosecution History Summary***

Claims 1-16 have been canceled.

Claims 17-36 are pending and rejected as set forth below.

### ***Election/Restrictions***

Applicant's remarks regarding the Election by Original Presentation are persuasive (note pages 2-3 specifically). Claims 17-36 are examined below.

### ***Response to Arguments***

Applicant's arguments have been considered but are moot in view of the new ground(s) of rejection. The Examiner, however, emphasizes the following:

Recitations in the claims such as “a closing system *for* closing a real estate transaction between a plurality of parties and transferring ownership of property via a real estate deed” may not been given patentable weight because the recitation occurs in the preamble. A preamble is generally not accorded any patentable weight where it merely recites the purpose of a process or the intended use of a structure, and where the body of the claim does not depend on the preamble for completeness but, instead, the process steps or structural limitations are able to stand alone. See *In re Hirao*, 535 F.2d 67, 190 USPQ 15 (CCPA 1976) and *Kropa v. Robie*, 187 F.2d 150, 152, 88 USPQ 478, 481 (CCPA 1951). Along these same lines, a recitation of the intended use of the claimed invention must result in a structural difference between the claimed invention and

the prior art in order to patentably distinguish the claimed invention from the prior art. If the prior art structure is capable of performing the intended use, then it meets the claim.

In addition, the Examiner notes that at least one selectable standard closing condition; at least one selectable custom closing condition, a plurality of title insurance companies, and a plurality of title insurance policies associated with the title insurance companies, represent non-functional descriptive data.

It is noted that the Examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. See *In re Lowry*, 32 F.3d 1579, 1583-84, 32 USPQ2d 1031, 1035 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338, 70 USPQ2d 1862, 1863-64 (Fed. Cir. 2004). Thus, when the prior art describes all the claimed structural and functional relationships between the descriptive material and the substrate, but the prior art describes a different descriptive material than the claim, then the descriptive material is nonfunctional and will not be given any patentable weight. That is, such a scenario presents no new and unobvious functional relationship between the descriptive material and the substrate. The Examiner asserts that the above data adds little, if anything, to the claimed structure of implied functionality and thus do not serve as limitations on the claims to distinguish over the prior art. [MPEP 2106IV b 1(b) indicates that "nonfunctional descriptive material" is material "that cannot exhibit any functional interrelationship with the way the steps are performed"]. As such, the features which give patentable weight to the claim are the closing server, the closing database, the closing module, the title insurance module, and at least one computer processor having identity verifier logic.

***Claim Rejections - 35 USC § 112***

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

- Claims 17-36 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.**

Claim 17 recites both a closing *module* and a title insurance *module* that comprise additional features. As is understood in the art, a module rep[resents a program or code that is executed on a computer system. To the same accord, Applicant's specification describes other modules (such as a diligence module and presettlement module) in so a way as to infer similar meaning to the term *module*. For example, paragraph 18 of page 6 reads "After the closing server receives the closing instructions, it runs the due diligence modules which determine whether the contingencies have been removed...". Similarly, page 7, paragraph 23 states "...the closing server runs the presettlement modules which enable generation and execution of the deed...". It is clear, then, from applicant's own specification, that the term *module* is consistent with a program or piece of code that is run by a computer system. What is unclear, though, is how a module, such as a closing module, *comprises* at least one selectable closing condition and at least one customizable closing condition, or how a title insurance module comprises a plurality of title insurance company information. For at least these reasons, it is unclear what applicant is claiming with regards to these features. [Note: Similar instances occur in the dependent claims throughout and are treated as in the case above (e.g. lender financial module, property module, etc.)].

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**2. Claims 28 and 33 rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.**

Claims 28 and 33 recites the limitation "the at lest one financial identifier" and "that at least one county registrar identifier". There is insufficient antecedent basis for this limitation in the claim.

***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

**3. Claims 17-19, 21-23, 26-32, 34, and 36 are rejected under 35 U.S.C. 103(a) as being unpatentable over Wheeler (US 20040039581) in view of Davis (US 6219423).**

**Regarding claim 17**, Wheeler teaches an electronic real estate transaction system comprising:

*a closing server adaptable to internet communications* (see at least: 0015, 0029 lines 1-5), *wherein the closing server comprises*

*a closing database* (see at least: 0017 (note transaction database), 0041), *wherein the closing database comprises*

*a closing module* (see at least: 0027 lines 9-15, 0043-0044, 0046 lines 1-5 (note the buyer & seller monitor the progress using information in the database);

*a title insurance module correlated with the closing database* (see at least: 0023, 0041 line 8).

Though Wheeler teaches all of the above and also teaches the use of electronic signatures (see at least: 0042), Wheeler does not teach *at least on computer processor having identity verifier logic and resources for verifying the identities of the plurality of parties*.

In the same field of endeavor, Davis teaches *at least on computer processor having identity verifier logic and resources for verifying the identities of the plurality of parties* (see at least: abstract, col. 2 line 54-col. 3 line 32, col. 5 lines 45-65, Fig. 4-5 and 10). It would have been obvious to one of ordinary skill in the art at the time of invention to have modified the invention of Wheeler to have included such features as taught by Davis in order to provide a system for digitally signing a digital agreement in a manner which precludes fraudulent withholding of the fully signed digital agreement and thereby reduces the risk associated with execution of digital agreements (see at least: col. 4 lines 1-4 and 60-65)

**Regarding claims 18-19, 21-23, 26-32, 34, and 36,** Wheeler in view of Davis teaches:

**(18)** *wherein the verifier logic and resources for verifying the identities of the plurality of parties further comprises encryption logic and resources for verifying the identities of the plurality of parties* (see at least: Davis, abstract, col. 2 line 54-col. 3 line 32, col. 5 lines 45-65, Fig. 4-5 and 10).

**(19)** *wherein the identity-verifier logic and resources for verifying the identities of the plurality of parties further comprises logic and resources for associating an electronic signature of each of the plurality of parties with closing the real estate transaction* (see at least: Wheeler, 0042; Davis, abstract, col. 2 line 54-col. 3 line 32, col. 5 lines 45-65, Fig. 4-5 and 10).



(26) *wherein the closing database further comprises a lender financial module* (Wheeler, Fig. 1 (#s 22-26), 0036, 0040). The Examiner notes that the information comprising the module constitutes nonfunctional descriptive material.

(28) *an internet connection with at least one financial lender associated with at least one financial lender identifier* (see at least: Wheeler, Fig. 1 (#s 22-26), 0036, 0040)

(34) *wherein the closing database further comprises an authorized agent module* (see at least: 0033, 0043 lines 6-12). The Examiner notes that the phrase *wherein the authorized agent module comprises at least one authorized agent identifier* constitutes nonfunctional descriptive material.

(36) *wherein the closing database further comprises a property module* (see at least: Wheeler, 0027, 0030-0032). The Examiner notes that *wherein the property module comprises...* represents nonfunctional descriptive material similar to that noted above.

**Specific to claims 21-23, 27, and 29-32**, the Examiner notes that these claims represent nonfunctional descriptive material similar to that as noted above and do not add patentable weight to the claims.

**4. Claims 20 and 24-25 are rejected under 35 U.S.C. 103(a) as being unpatentable over Wheeler in view of Davis as applied above, and further in view of Broerman (US 20040054606).**

**Regarding claim 20 and parallel claim 24,** Wheeler in view of Davis teaches all of the above as well as the use of web pages and the internet to facilitate the submission of sales information regarding a real estate transaction. Broerman in view of Davis, however, does not expressly teach where *at least one browser client comprises a means for selecting at least one of a plurality of selectable closing components*. In the same field of endeavor, Broerman teaches a system to facilitate real estate transactions (see at least: abstract). More specifically, Broerman teaches *at least one internet browser client, wherein the at least one internet browser client is adaptable to internet connecting with the closing server, wherein the at least one browser client comprises means for selecting at least one of the plurality of selectable standard closing conditions* (see at least: 0010, 0042, 0051, 0063, 0076, Figures 5B and 10). It would have been obvious to one of ordinary skill in the art at the time of invention to have modified the invention of Wheeler in view of Davis to have included the noted features as taught by Broerman because the incorporation of such features is no more than the combination of known prior art elements according to their established function yielding predictable results.

**Regarding claim 25,** Wheeler in view of Davis teaches all of the above as noted and further teaches the facilitation of purchasing title insurance for a real estate transaction (see at least: Wheeler, 0023). Wheeler in view of Davis, however, does not expressly teach *an internet*

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*connection with at least one title insurance company associated with at least one of the plurality of title insurance company identifying information.* In the same field of endeavor, Broerman teaches *an internet connection with at least one title insurance company associated with at least one of the plurality of title insurance company identifying information* (see at least: abstract, 0005, 0040, 0053, 0056, claims 6 and 38). It would have been obvious to one of ordinary skill in the art at the time of invention to have modified the invention of Wheeler in view of Davis to have included the noted features as taught by Broerman because the incorporation of such features is no more than the combination of known prior art elements according to their established function yielding predictable results.

**5. Claim 33 is rejected under 35 U.S.C. 103(a) as being unpatentable over Wheeler in view of Davis as applied above, and further in view of Ketterer (US 20020052814).**

**Regarding claim 33,** Wheeler in view of Davis teaches all of the above but does not expressly teach an internet connection *with at least one county registrar associated with the at least one county registrar identifier*. In the same field of endeavor, Ketterer teaches an electronic real estate brokerage system including an internet connection *with at least one county registrar associated with the at least one county registrar identifier* (see at least: abstract, 0021-0022, 0048, 0026). It would have been obvious to one of ordinary skill in the art at the time of invention to have modified the invention of Wheeler in view of Davis to have included the noted features as taught by Ketterer because the incorporation of such features is no more than the combination of known prior art elements according to their established function yielding predictable results.

**6. Claim 35 is rejected under 35 U.S.C. 103(a) as being unpatentable over Wheeler in view of Davis as applied above, and further in view of Mini et al. (US 6684196).**

**Regarding claim 35,** Wheeler in view of Davis teaches all of the above but does not expressly teach an internet connection *with at least one authorized agent associated with at least one authorized agent identifier*. In the same field of endeavor, Mini teaches an electronic method and system for facilitating a transaction for real property including an internet connection *with at least one authorized agent associated with at least one authorized agent identifier* (see at least: abstract, col. 5 lines 29-36, col. 8 lines 6-24, Figure 4). It would have been obvious to one of ordinary skill in the art at the time of invention to have modified the invention of Wheeler in view of Davis to have included the noted features as taught by Mini because the incorporation of such features is no more than the combination of known prior art elements according to their established function yielding predictable results.

***Conclusion***

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

- US 20010005829 discloses a System and method for managing customer relationships over a distributed computer network
- US 20010047328 discloses a Method and apparatus for processing escrow transactions
- US 20020059137 discloses an Online mortgage application processing and tracking system
- US 5191613 discloses a Knowledge based system for document authentication
- US 6185683 discloses a trusted and secure techniques, systems and methods for item delivery and execution (note col. 54-55, Figures 130 & 130A)

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event,

however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to WILLIAM J. ALLEN whose telephone number is (571)272-1443. The examiner can normally be reached on 8:00 AM to 5:30 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jeff A. Smith can be reached on (571) 272-6763. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/William J Allen/  
Examiner, Art Unit 3625

/Matthew S Gart/  
Primary Examiner, Art Unit 3625